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DEED 5--7 PG 557

STATE OF SOUTH CAROLINA)
COUNTY OF SPARTANBURG)
R.M.C. SPARTANBURG, S.C.
DECLARATION OF
PROTECTIVE COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
OF BAY HILL COVE

THIS DECLARATION is made this 29th day of May, 1997, by Gallimore & Sampson Development, Co., Inc., a South Carolina corporation (hereinafter "Developer")

W-I-T-N-E-S-S-E-T-H:

WHEREAS, Developer is the owner of certain lots of land in Spartanburg County, South Carolina, located on the South side of Clark Road, and more particularly shown and described upon a plat entitled Bay Hill Cove Subdivision prepared for Developer by Neil R. Phillips, PLS, dated April 22, 1997, last revised April 25, 1997, and recorded in Plat Book 157, page 806, RMC Office of Spartanburg County, and

WHEREAS, Bay Hill Cove will be a residential community, and the Developer desires to provide for the preservation of values and amenities of said community and for the maintenance of common facilities and, to these ends, desires to subject all of the lots in Bay Hill Cove as shown on the above plat to the within Protective Covenants, Conditions, Restrictions, Easements, charges and liens (herein referred to as Covenants and/or Restrictions) for the benefit of each and every owner in Bay Hill Cove, and

WHEREAS, Developer deems it desirable to create an agency to which should be delegated and assigned the powers of maintaining and administering common facilities and administering and enforcing the Covenants and Restrictions and collecting and disbursing the assessments and charges hereafter created, and is incorporating under the laws of the State of South Carolina, as a non-profit corporation, Bay Hill Cove Homeowners Association of Spartanburg, Inc., for the purpose of exercising the functions aforesaid;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of the mutual benefits and advantages to the Developer and to future property owners of lots shown on the above plat, Developer does hereby impose upon Bay Hill Cove the following covenants, conditions, restrictions, easements, charges and liens, which shall bind the Developer, its successors and assigns, and all future owners of said lots, their respective heirs and assigns:

1. **DEFINITIONS.** The following words when used herein (unless the context shall require a different meaning) shall have the following meanings:

A. "Association" shall mean and refer to Bay Hill Cove Homeowners Association of Spartanburg, Inc.

B. "Bay Hill Cove" shall mean and refer to all of the lots and property shown upon plat of "Bay Hill Cove Subdivision" referred to above and upon any subsequent plat of "Bay Hill Cove Subdivision" prepared for the Developer and recorded in the RMC Office of Spartanburg County.

C. "Common Properties" shall mean and refer to any and all properties or property rights, such as easements or other rights, which may be conveyed by the Developer or other grantors to the Association, which property and rights shall be held, managed and maintained by the Association in accordance with its rules, regulations and Bylaws.

D. "Developer" shall mean and refer to Gallimore & Sampson Development Co., Inc.

E. "Lot" or "lot" shall mean and refer to any numbered parcel of land shown upon a plat of Bay Hill Cove subdivision prepared for the Developer and recorded in the RMC Office of Spartanburg County.

F. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot situated within Bay Hill Cove Subdivision, but notwithstanding any applicable theory of mortgage law, shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding or deed in lieu of foreclosure.

G. "Member" shall mean and refer to any Owner who is a member of the Association as provided in Paragraph 36 hereof.

2. SINGLE FAMILY RESIDENTIAL USE. No lot shall be used except for private, single family residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one detached single-family dwelling, not to exceed 2 stories in height and, if approved in advance in writing, a private detached garage. No lot or portion of a lot shall be used either as a road or easement or other means of access to adjoining property without the express written consent of the Developer.

3. SUBDIVISION OF LOTS. Developer or any subsequent owner of a lot, with the prior written consent of Developer or its nominee, may sell and convey a portion of any lot to the owner of an adjoining lot, provided that any such sale of a portion of a lot does not result in the creation of another lot or a greater number of lots than that shown on said plat and does not violate any other provisions hereof. No lot may be subdivided to create an additional lot. In any such sale of a portion of a lot, the portion shall merge into and become part of the adjoining lot, and the terms and conditions herein shall apply to the lot and portion of a lot as though they were originally platted as one lot. After Developer has conveyed all the lots, adjoining owners may adjust their boundary lines, without additional approval provided that under no circumstances shall a new lot be created by such adjustment.

4. MINIMUM HEATED AREA. Each dwelling shall have at least two (2) bathrooms and no less than one thousand one hundred (1100) square feet of heated floor area and a single garage. The heated floor area required by this paragraph shall not include basements, porches, verandahs, breezeways, terraces and garages.

5. BUILDING SETBACK LINES. No building or portion of a building, including stoops, verandahs, steps and porches shall be located on a lot nearer the front property line or nearer the side street property line of the lot than the setback line(s) shown for such lot on the plat referred to in the deed to such lot from Developer, nor nearer than ten (10') feet to any side property line. Furthermore, no such above ground improvements shall be built within twenty (20') feet of the rear property line and, in the case of a corner lot, within twenty (20') feet of the side street right-of way. Nonetheless, Developer reserves the right and privilege to give a waiver to any setback restrictions on a lot, but such waiver must be given in writing to be valid. Developer reserves the right to deny a waiver for any reason deemed appropriate in its sole discretion.

6. SUBDIVISION SIGN AREAS AND EASEMENT. Lot Nos. 1 and 28 are subject to sign easement areas as shown on the plat of Bay Hill Cove Subdivision above referred to. Reference is made to the area of said plat shown as the "LANDSCAPE AND SIGN EASEMENT" for these lots. Sign easement areas on Lots Nos. 1 and 28 are specifically reserved for the location, installation, maintenance and upkeep for signs identifying Bay Hill Cove Subdivision and for the purposes of beautification, planting and landscaping initially to be undertaken and handled by the Developer and later to be undertaken and managed by the Association. The owners of those lots shall not build, construct or do anything upon their lots which shall interfere with the use of the sign easement areas for the purposes set forth herein.

7. APPROVAL OF BUILDING PLANS - SPECIAL CONDITIONS.

A. No building or structure, whether it be the dwelling, garage, fence or driveway shall be erected, placed or altered on any lot until the building plans, elevations, location and specifications have been approved in

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writing by Developer or its nominee. If such shall not be approved or disapproved within thirty (30) days after being submitted, then such approval shall not be required, provided, however, the design and location of the proposed construction shall conform to the specific building requirements stated herein and otherwise be in harmony with the existing structures in the subdivision. Any proposed building must be built as a permanent structure and be designed in harmony with the main dwelling. Disapproval of plans, elevations, location or specifications may be based purely upon aesthetic reasons in the sole discretion of the Developer or its nominee.

E. The completion of improvements upon a lot shall include the landscaping of the yard, and grassing the remaining disturbed area, and the planting of shrubs and/or decorative plants or bushes along the front elevation of the dwelling.

C. The front elevation of the house foundation must be a minimum of eighteen ("18") inches above the finished grade of the front yard.

The minimum pitch for the roof of each dwelling or other approved structure shall be 6/12. All Garages must have a door installed.

8. **BUILDING MATERIALS.** Concrete blocks, cement bricks or concrete walls shall not be used in the construction of any building, garage or hobby-type/storage building unless the exterior of same is faced with brick, stone, stucco or some other material approved by Developer or its nominee. No asbestos shingles or asbestos siding shall be used for the exterior of any dwelling or other structure.

9. **TRAILERS AND MOBILE HOMES PROHIBITED.** Trailers and mobile homes, including typical double-wide mobile homes are absolutely prohibited. Furthermore, no residence or building may be moved from another location and placed or allowed to remain on any lot.

10. **REQUIREMENTS FOR DRIVEWAYS.** All driveways shall be constructed of either asphalt paving, concrete or other material approved by the Developer and shall be maintained by the owner of a lot in a good state of repair and suitable appearance. Where driveways from a lot intersect with the public street, said driveway will abut the existing "rolled" curb, thereby keeping the "rolled" curb in tact and undamaged. If during construction or otherwise, the curb or pavement adjacent to a construction site is broken, removed or otherwise damaged, the owner of the lot upon which such construction or work is being done shall bear the cost of replacing or repairing such damage to the satisfaction of the Developer.

11. **DEVELOPER'S DISCLAIMER.** DEVELOPER, AND ITS SUCCESSORS AND ASSIGNS, ITS AGENTS, CONSULTANTS AND EMPLOYEES, HEREBY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, OF GOOD WORKMANSHIP, DESIGN, HABITABILITY, QUALITY, FITNESS FOR ANY PARTICULAR PURPOSE OR MERCHANTABILITY OR ANY REPRESENTATION CONCERNING SAME, AND NO WARRANTIES OF ANY KIND SHALL ARISE AS A RESULT OF ANY PLANS, SPECIFICATIONS, STANDARDS OR APPROVALS MADE OR APPROVED BY DEVELOPER, OR ITS NOMINEES, AND DEVELOPER SHALL NOT BE LIABLE TO ANY OWNER OR ANY OTHER PERSON ON ACCOUNT OF ANY CLAIM, LIABILITY, DAMAGE OR EXPENSE SUFFERED OR INCURRED BY OR THREATENED AGAINST ANY OWNER OR SUCH OTHER PERSON ARISING OUT OF OR IN ANY WAY RELATED TO THE SUBJECT MATTER OF ANY REVIEW, ACCEPTANCE, INSPECTION, PERMISSION, CONSENT OR REQUIRED APPROVAL WHICH MUST BE OBTAINED FROM THE DEVELOPER, WHETHER GRANTED OR DENIED. FURTHERMORE, WHILE DEVELOPER IS NOT AWARE OF ANY LOTS CONTAINING FILL DIRT, DEVELOPER EXPRESSLY DISCLAIMS SUITABILITY OF A LOT FOR RESIDENTIAL CONSTRUCTION, AND ALL FUTURE OWNERS SHALL BE RESPONSIBLE FOR DETERMINING THE SUITABILITY OF A LOT FOR CONSTRUCTION.

12. **GENERAL EASEMENTS** Developer reserves an easement five (5') feet inside each side and rear lot line of each lot for the installation, maintenance and repair of utilities, sewer lines, and/or storm drainage facilities.

Furthermore, certain lots shall be subject to an additional easement for drainage purposes as will be shown upon a duly recorded plat of Bay Hill Cove Subdivision. All utility service lines, including cable television, telephone, gas, electric or other utility, from existing streets shall be installed underground to any dwelling or other structure located upon a lot.

13. SEWAGE. All sewage shall be disposed of in septic tanks approved in writing by the local health officials of the South Carolina Department of Health and Environmental Control. Each owner is responsible for the proper maintenance of the septic system on his or her lot and shall abide by all applicable rules and regulations concerning same.

14. FENCING. No fencing shall be erected on any lot from the rear corner of the residence erected thereon to the front of the lot. Subject to the Developer's approval, wire, metal or wooden fencing may be permitted on a lot from the rear corner of the residence erected thereon to the rear of the lot, provided, however, that no such fence shall exceed six (6') feet in height. No fencing of any kind shall be installed or allowed to remain on any lot which shall interfere, damage or obstruct the installation or maintenance of any utility. On corner lots, no fence shall be erected beyond the side building setback line shown on the plat above referred to.

15. BUSINESS ACTIVITIES PROHIBITED. No commercial operations, business operations, manufacture or production shall be permitted upon any lot. The selling, showing or marketing from a lot of any kind of goods, products or apparel is expressly prohibited. The provisions of this item shall not be construed to prohibit the making of hand-crafted items for occasional off premises sale.

16. NUISANCES AND OFFENSIVE ACTIVITIES. No nuisance or other noxious, offensive, unsightly or unsanitary activity or condition shall be conducted or allowed to exist on any lot or the adjoining street or streets.

17. PARKING OF BOATS AND RECREATIONAL VEHICLES. No camping trailer, boat, boat trailer or other similar recreational vehicle or other device or equipment shall be permitted to stand on any lot, without the express written consent by the Developer or its nominee. No inoperable motor vehicle, wrecked vehicle, junk car or truck, unsightly vehicle, or motor vehicle not currently licensed shall be parked in the street right-of-way or be kept on any lot in the subdivision unless stored in an enclosed garage. Also, no buses, trucks or trailers other than pick-up trucks not to exceed three-quarter (3/4) ton in size, shall be parked on a lot or in the street right-of-way, except for loading and unloading. Further, no portion of a lot shall be used for the operation of any motorized vehicles such as motorcycles, mini-bikes, go-carts, four wheelers or similar vehicles.

18. PORTABLE OR METAL BUILDINGS PROHIBITED. Portable buildings, metal storage buildings or other similar off-site constructed storage buildings are prohibited to be placed or remain on any lot without the express written consent of the Developer.

19. SWINGSETS AND BASKETBALL GOALS. Swingsets, sandboxes, gym sets and any such similar devices or structures primarily for children's use and enjoyment must be located behind the rear corners of the dwelling.

20. NO TEMPORARY RESIDENCES. No garage or hobby-type/storage building shall be used at any time as a residence, either temporarily or permanently, nor shall any structure of a temporary character be used as a residence.

21. ANIMALS. No domestic fowl, cows, hogs, mules, wild animals or any other farm-type animal shall be kept on any lot at any time, provided, however, household pets, such as cats and dogs, may be kept on a lot, provided such pets shall not exceed a total of two (2) in number and provided further that the owner thereof shall be responsible for the control and conduct of such household pets so that they are not an annoyance, hindrance or nuisance to others. The owners shall abide by all laws and regulations relating to keeping pets.

22. TRASH RECEPTACLES. All receptacles for trash or garbage must be kept within a fenced or enclosed area and hidden from public view.

23. CLOTHESLINES. Clotheslines and poles may be installed on the rear portion of a lot away from the street if they are not visible from the street.

24. SCREENING OF YARD EQUIPMENT. Lawn mowers or other lawn maintenance equipment shall be kept in a screened or an enclosed area so as to not be visible from any street or adjoining property.

25. TELEVISION ANTENNA AND SATELLITE DISHES. No antenna, satellite dish or similar device for the transmission or receipt of signals of any kind shall be erected or allowed to remain on any lot without the express written permission of the Developer. The Developer reserves the right to formulate and require specific rules and regulations for such items and/or approve same on a case-by-case basis. Developer will approve satellite dishes which are eighteen (18") inches or smaller in diameter but the location of each one requires the written approval of the Developer.

26. COMPLETION OF IMPROVEMENTS. All houses and other structures related thereto must be completed within one (1) year after the commencement of construction, except where such completion is impossible due to strikes, fires, national emergency or other natural calamity.

27. COVENANT OF GOOD APPEARANCE AND REPAIR. Each lot owner shall maintain his lot and the exterior of all improvements in good appearance and repair in order to assure that no condition exists which would diminish the good appearance of the property. Every owner of a vacant or unimproved lot shall keep such lot free of debris and unsightly underbrush, weeds or other unsightly vegetation. In the event that an owner shall fail to maintain a lot in a good state of repair and appearance, the Developer and/or Association, or their agents or employees, shall have the right to maintain same and charge the cost thereof to the owner, but no work shall be done without due and proper notice to the owner and an allowance of at least thirty (30) days to correct specified deficiencies. In the event the owner or owners of a lot shall fail to pay such charges within thirty (30) days of billing, same may be collected in the same manner and under the same terms as Assessments set forth in Paragraph 38.1. THE DEVELOPER, THE ASSOCIATION OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, AGENTS, EMPLOYEES OR MEMBERS SHALL NOT BE LIABLE FOR ANY PERSONAL INJURY OR PROPERTY DAMAGE OR OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES OCCASIONED BY ANY NON-NEGLIGENT ACT OR OMISSION IN THE INSPECTION, REPAIR OR MAINTENANCE OF ANY SITE, IMPROVEMENTS OR PORTION THEREOF.

28. SIGNS. No signboards or other signs of any kind shall be displayed on any lot except a single "For Sale" and a builder's sign, or a single "For Rent" sign. No sign shall be more than thirty inches (30") by thirty inches (30") in size, provided, however, the Developer shall have the right to use additional signs for development of the property. Any provisions herein expressly providing for identifying signs for the subdivision take precedence over this paragraph.

29. STREET LIGHTING. If street lighting is installed by the Developer, the cost and expense of operation will be transferred to the Homeowners Association.

30. MAINTENANCE OF STREET RIGHT-OF-WAY. The owner of a lot shall be responsible for the planting and maintaining of the area from the property line to the edge of the pavement or curb of the street or streets upon which said lot abuts.

31. FUEL TANKS. All fuel tanks or containers shall be buried underground, or enclosed in a structure, in a manner consistent with normal safety precautions and in accordance with the rules and regulations of appropriate governing bodies or agencies or the South Carolina Department of Health and Environmental Control; whichever the case may be. Any structure to be constructed for this purpose must be of acceptable appearance and approved by the Developer in accordance with its building approval procedure as above set forth.

32. FIREWORKS. Shooting of fireworks of any kind, and the storage thereof, are prohibited, unless carried out in conjunction with a supervised activity of the Developer or the Association.

33. SWIMMING POOLS. Location of swimming pools must be approved by the developer in writing.

34. MAIL RECEPTACLES. All mail boxes or other mail receptacles and their supporting structure, including fixing the location and height thereof, shall conform to Developer's uniform requirements. After installation, each Owner has the responsibility of keeping same in good repair and appearance. Developer shall collect from each Owner at closing, a fee of One Hundred Twenty Five (\$125.00) for the purchase and installation of the approved mailbox.

As of January 2007, the cost is \$169.60 plus \$30.00 installation. TOTAL: \$199.60

35. TEMPORARY SALES OFFICE. The Developer or its agent shall have the right to place or erect temporary sales offices on any lot in the development for the purpose of marketing.

36. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

A. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association shall be a member of the Association, provided that any such person or entity, who holds such interest merely as a security for the performance of an obligation, shall not be a member.

B. Voting rights. The Association shall have two (2) classes of voting membership as follows:

Class A. Class A members shall be all those Owners defined in paragraph 1 with the exception of the Developer. Class A members shall be entitled to one (1) vote for each Lot in which they hold the interests required for membership by paragraph 1. When more than one person holds such interest or interests in any Lot, all such persons shall be members, and the vote for such Lot shall be exercised as they among themselves determine but in no event shall more than one (1) vote be cast with respect to any such Lot.

Class B. Class B members shall be the Developer and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either one of the following events, whichever occurs earlier:

(a) When the total votes outstanding in Class A membership equal to the total votes outstanding in Class B membership; or

(b) January 1, 2020.

37. PROPERTY RIGHTS IN THE COMMON PROPERTIES.

A. Title to Common Properties. The Developer may retain the legal title or other rights to the Common Properties until such time as it has completed improvements thereon and until such time as, in the sole discretion of the Developer, the Association is able to maintain the same, but, notwithstanding any provision herein, the Developer hereby covenants, for itself, its successors and assigns, that it shall convey all of its right, title and interest in the common properties to the Association not later than January 1, 2020.

B. Restrictions on Common Properties. The parcels of real property included as part of the Common Properties are to be maintained solely as landscaped and/or beautification areas or for identification signs for Bay Hill Cove. No other use or improvements are to be made to said real property without the express written permission of the Developer, and Developer expressly reserves easement rights upon these parcels for installation of underground utilities.

38. COVENANT FOR MAINTENANCE ASSESSMENTS.

A. Creation of Lien and Personal Obligation of Assessments. The Developer for each lot owned by it within Bay Hill Cove hereby covenants and each owner of any lot by acceptance of a deed to a lot within

Bay Hill Cove, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association:

(1) Annual assessments or charges; and

(2) Special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and cost of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due.

B. The purpose of the assessments The assessments levied by the association shall be used exclusively for the purpose of promoting the health, safety and welfare of the lot owners in Bay Hill Cove and in particular shall be used for the payment of costs and expenses, including, but not limited to, the following:

(1) Expenses for the maintenance, upkeep and improvement of the Common Properties.

(2) Payment for services in connection with the maintenance, upkeep and improvements to the Common Properties, including utilities, taxes, water usage and other related reasonable and necessary expenses.

(3) Maintenance, upkeep, repair and/or replacement of the sprinkler systems within the Common Properties.

(4) For the payment of services for any street lighting undertaken and accepted by the Association.

(5) For the payment of expenses related to the upkeep, maintenance and replacement of signs identifying the subdivision, containing street names or other safety signs, if any.

(6) For any other purpose, cost or expense reasonably related to the performance of any duty or responsibility of the Association as determined by the Board of Directors of said Association in accordance with the Bylaws or these restrictions.

C. Basis and Maximum of Annual Assessments. There will be no annual assessments until the year beginning January 1, 1997. For the year beginning January 1, 1997, the annual assessment shall be One Hundred Fifty & No/100 (\$150.00) Dollars per Lot. Beginning January 1, 1998, the annual adjustment may be adjusted by vote of the Members as herein provided. The Board of Directors of the Association may, after consideration of current maintenance cost and future needs of the Association, fix the actual assessment for any year at a lesser or higher amount. Lots owned by the Developer shall be exempt from annual assessments until such time as a dwelling shall have been constructed thereon. Such exemption shall not affect the Developer's voting rights in the Association.

D. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment, applicable to that year only! for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

E. Change in Basis and Maximum of Annual Assessments. Subject to the limitations in paragraph 38.C. above, and for the periods therein specified, the Association may change the maximum and basis of the assessments fixed by paragraph 38.C. hereof prospectively for any such period provided that any such change shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

F. Quorum for any Action Authorized Under Paragraphs 38.D. and 38.E. The quorum: required for any action respecting assessments authorized by paragraphs 38.D. and 38.E. hereof shall be the Members present at a meeting duly called and convened pursuant to paragraphs 38.D. and 38.E. hereof.

G. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence on January 1 of each year. The annual assessments provided for herein shall begin and become due on January 1, 1997, and on January 1 of each year thereafter, but may be paid in two (2) equal installments in each year: (1) on January 1, and (2) on July 1. Prior to January 1, 1997, the Developer agrees to maintain the Common Properties in a good state of repair and operation. The due date of any special assessment under paragraph 38.D. hereof shall be fixed in the resolution authorizing such assessment. At the initial closing of each lot sold by the Developer, the pro-rated portion of any annual assessment shall be collected from the buyer at closing and paid to the Association.

H. Duties of the Board of Directors. - The Board of directors of the Association shall fix the date of any special assessment and at least thirty (30) days in advance of the due date of any assessment prepare a roster on the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner. Written notice of the assessment shall thereupon be sent to every Owner subject thereto. The Association shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

I. Effect of Non-Payment of Assessments; the Personal Obligation of the Owner; the Lien; Remedies of Association If the assessments are not paid on the dates when due (being the dates specified in paragraph 38.G. above), then such assessments shall become delinquent and shall, together with such interest thereon and cost of collection thereof, as hereinafter provided, become a continuing lien on the property, which shall bind such property in the hands of the then Owner, his heirs, devisees, Personal Representatives, successors and assigns. The personal obligation of the then Owner to pay such assessments, however, shall remain his personal obligation for the statutory period, but such personal obligation shall not pass to his successors in title unless expressly assumed by them. Such successors in title do, however, take the title subject to any outstanding lien for assessments. If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the delinquency date at the rate of one and one-half (1.5%) percent per month (ANNUAL PERCENTAGE RATE - 18%) from the delinquency date. The Association may bring an action at law against the Owner personally obligated to pay the same or an action to foreclose the lien against the property, and there shall be added to the amount of such assessment, the interest thereon as above provided, plus a reasonable attorney's fee and the costs of the action.

J. Lien of Assessments is Subordinate to Recorded Mortgages. The lien of assessments provided for herein shall be subordinate to the lien of any mortgage now or hereafter placed upon a lot subject to the assessment. The sale or transfer of a lot shall not affect the assessment lien, provided, however, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No such sale or transfer shall relieve such lot from liability for any assessments thereafter coming due or from the lien thereof.

39. INITIATION FEE DUE ASSOCIATION AT CLOSING. Each buyer of a lot at the initial closing with the Developer shall pay to the Developer or the Association an initiation fee of One Hundred Fifty & No/100 (\$150.00) Dollars. The funds so collected shall be deposited to the account of the Developer or the Association and shall be used for the purposes set forth in Paragraph 38.B. above.

40. ENFORCEMENT BY HOMEOWNERS ASSOCIATION. Except for approvals and rights expressly reserved herein unto the Developer or its nominee, the Association shall have standing to enforce the within restrictions, covenants and obligations in the same manner and to the same extent as does the Developer or any other owner. The powers and authorities herein granted to the said Association shall be in addition to such other and further rights, duties and obligations which may be set forth in the Bylaws of the Association adopted in accordance with the terms hereof.

41. DELEGATION OF DEVELOPER'S RIGHTS. All rights reserved unto the Developer herein remain exclusively with the Developer, its successors and assigns, provided, however, Developer may assign and/or delegate all or any part of such reserved rights to the Association.

42. TERM OF ENFORCEMENT AND AMENDMENTS. These covenants, conditions, easements and restrictions shall be binding upon the Developer, its successors and assigns, and upon all future owners, their respective heirs, successors and assigns, and all parties claiming under them, until October 1, 2010, at which time the terms hereof shall be automatically extended for successive periods of ten (10) years thereafter, unless the then Owners owning at least two thirds (2/3) of the Lots in Bay Hill Cove agree in writing to terminate or change same. The terms and conditions of this instrument may be amended or changed only upon written agreement of the then Owners owning at least two-thirds (2/3) of the Lots in Bay Hill Cove. Notwithstanding anything herein to the contrary, the Developer, its successors and assigns, reserves the right to waive, modify or change in writing, any of the terms hereof with respect to the application thereof to a lot based upon special, unique or unusual circumstances, but no such waiver, modification or change shall substantially affect the overall plan of development.

43. EFFECT OF COVENANTS AND ENFORCEMENT.

A. Effect of Provisions of These Covenants. Each owner, tenant and guest, their successors, heirs and assigns, and all others who take an interest in land or realty within Bay Hill Cove do promise, covenant and undertake to comply with each provision of these Covenants, which provisions:

(1) shall be considered and deemed to be incorporated in each deed or other instrument by which any right, title or interest in any lot is granted, devised or conveyed, whether or not set forth or referred to in such deed or other instrument;

(2) shall, by virtue of acceptance of any right, title or interest any lot by an owner, be deemed accepted, ratified, adopted and declared as a personal covenant of such owner to, with and for the benefit of the Developer, the Association and all other owners, their respective heirs, successors and assigns;

(3) shall be deemed a real covenant by the Developer for itself, its Successors and assigns and also an equitable servitude, running in each case, both as to burdens and benefits with and upon the title to each lot;

(4) shall be deemed a covenant, obligation and restriction secured by a lien binding, burdening and encumbering the title to each lot, which lien, with respect to any such lot shall be deemed a lien in favor of the Association.

B. Who May Enforce. The benefits and burdens of these covenants run with the land at law and in equity, and the Developer and the association, their respective successors and assigns, and any owner, his heirs, successors, legal representatives, Personal Representatives and assigns shall have the right to proceed against any party in violation of these covenants and to compel a compliance to the terms hereof and to prevent the violation or breach in any event.

C. Against Whom May the Covenants be Enforced. The obligation and benefits prescribed by this instrument shall run with the property and shall be enforceable against any owner, his heirs, successors and

assigns, or any other person whose activities bear a relation to the property, including guests and tenants when the aforesaid persons or entities engage in activities (including omissions and failures to act) which constitute violations or attempts to violate contravene or circumvent the terms hereof.

D. Enforcement Remedies. In addition to other enforcement rights mentioned herein, in the event that any structure is erected, constructed, reconstructed, altered, repaired, converted or maintained, or any structure or land use is in violation of these covenants, the Developer, its successors and assigns, the Association or any owner may institute appropriate legal proceedings or actions at law or in equity, including, but not limited to, actions: (1) to prevent such unlawful erection, construction, reconstruction, alteration, repair, conversion, maintenance or use; (2) to restrain, correct or abate such violation, or breach of these covenants; (3) to prevent the occupancy of any dwelling or land; (4) to prevent any act, conduct, business or use which is in breach of these covenants, or (5) to compel any affirmative act which, pursuant to these covenants, "shall" be performed. Any action in equity hereunder for the enforcement hereof shall not be barred on the grounds that there may also exist an adequate remedy at law. The prevailing party in any action to enforce these restrictions shall also be entitled to reasonable attorney fees against the other party.

44. MISCELLANEOUS

A. No Waiver. Failure to enforce any provision or provisions of this instrument for any period of time by the Developer, the Association or any owner shall not be deemed a waiver or estoppel of the right to enforce same at any time thereafter.

B. Captions. The captions and headings in this instrument are for convenience only and shall not be considered as controlling in construing the provisions hereof.

C. Board Authorization. All actions of the Association shall be authorized actions if approved by the Board of Directors of the Association in accordance with its Bylaws, unless the terms of this instrument provide otherwise.

D. Gender, Tense, Number and Applicability of Definitions. When necessary for proper construction, the masculine form of any word used herein shall include the feminine or neuter gender and the singular, the plural and visa versa, and words used in the present tense shall include the future tense.

E. Savings Clause. If any provisions or provisions of this instrument are found to be ineffective or unenforceable for any reason in the final judgment of any court having jurisdiction of the subject matter hereof, the remaining provisions hereof shall remain fully enforceable and binding upon the owners, their respective heirs, successors or assigns.

DEED 5 -- 2 PG 567

IN WITNESS WHEREOF, the undersigned has set its hand and seal this
29th day of May, 1997.

GALLIMORE & SAMPSON DEVELOPMENT CO. INC.

By: William F. Sampson
William F. Sampson, Vice President

Laurie A. Moore
Gina L. Carter

STATE OF SOUTH CAROLINA)

)

ACKNOWLEDGEMENT

COUNTY OF SPARTANBURG)

I, Gina L. Carter a Notary Public of the County and State aforesaid, certify that the within-named Developer personally appeared before me this day and acknowledged the execution of the foregoing instrument. Witness my hand and official stamp or seal this 29th day of May 1997.

Laurie A. Moore
Witness

Gina L. Carter
Notary Public for South Carolina

My Commission Expires: 3-12-01